

# Skills-based Talent Practices

Workforce Matters  
20 October 2023

# Today's discussion

## **Introducing JFF**

**Who we are and how we  
support employers  
implementing skills-  
based talent practices**

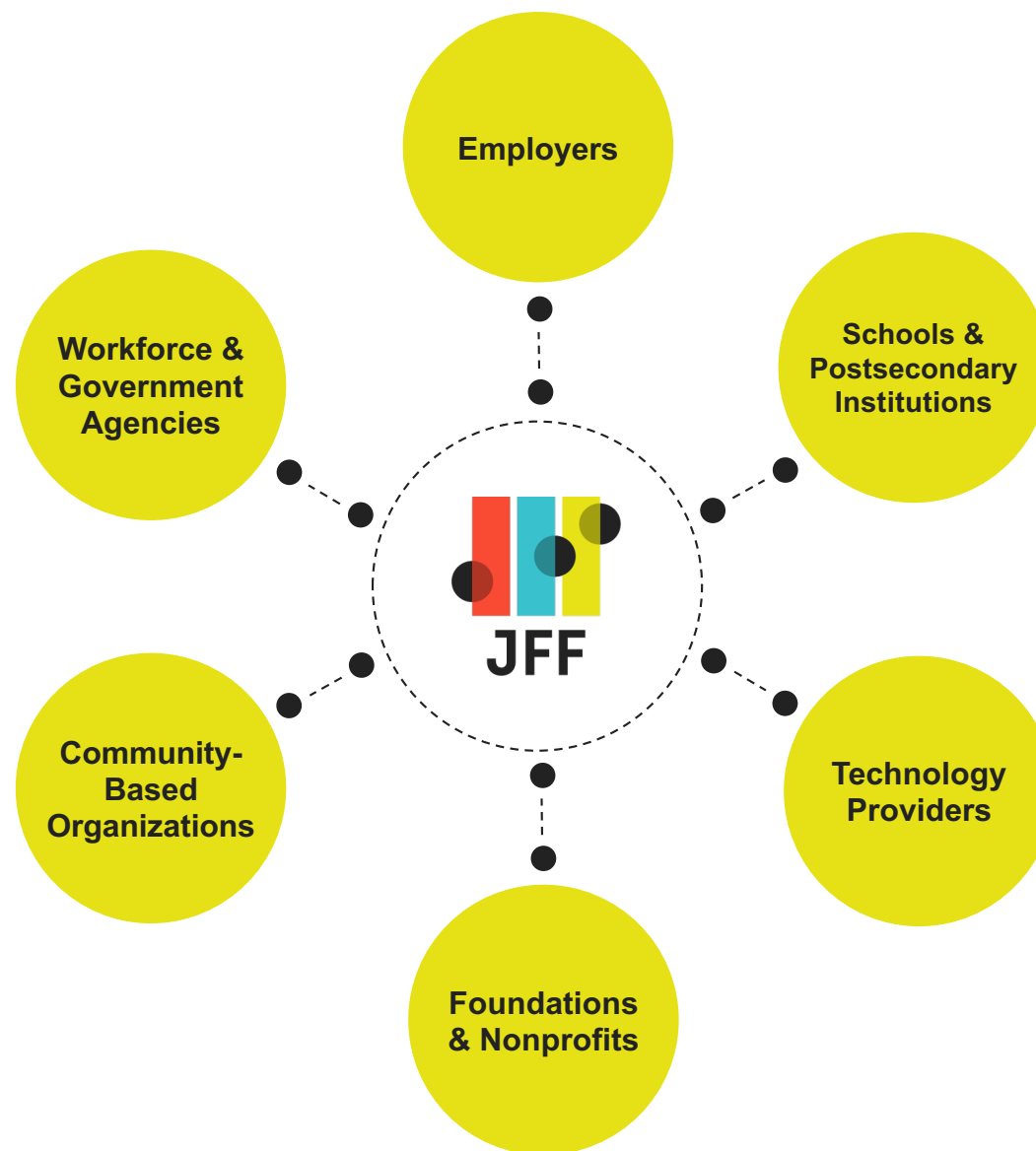
## **The state of the field**

**Why skills-based talent  
practices are so important,  
yet so challenging to  
implement**

## **Unlocking impact**

**How funders can advance  
skills-based  
talent practices**

**Jobs for the Future**  
**drives transformation  
of the U.S. education  
and workforce  
systems to achieve  
equitable economic  
advancement for all.**





**Our work is  
motivated by a  
clear—and  
ambitious—goal.**

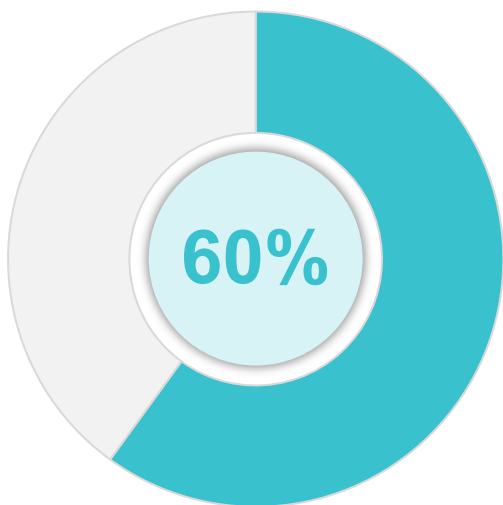
## **Our Vision**

In 10 years, **75 million**  
people who face systemic  
barriers to advancement will  
work in quality jobs.

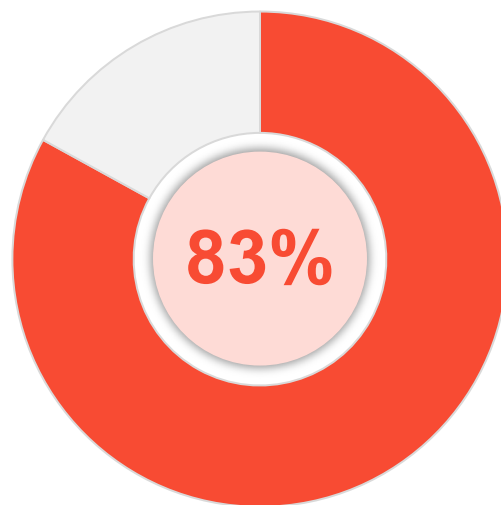


# Mobilizing private employers to adopt skills-based talent practices is essential to achieve our vision

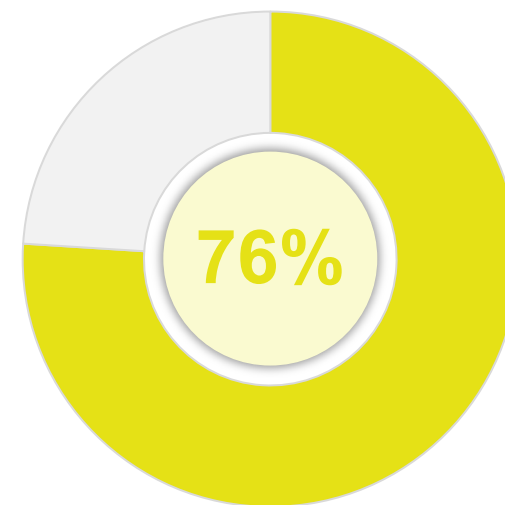
Our definition of “people facing systemic barriers to advancement” includes people whose highest level of education attained is less than a 4-year degree, accounting for...



...of the US workforce overall



...of Latine workers



...of Black workers

# We work with employers to adopt a skills-first approach

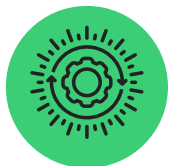
We have worked with over 100 employers to shift policies, practices, and mindsets.  
We do that through...



Shifting narratives, policies, technologies, and behaviors to facilitate more skills-based talent practices



Convening Communities of Practice for business leaders adopting skills-based talent practices



Providing individual and group technical assistance to employers implementing skills-based talent practices





# IMPACT EXAMPLE



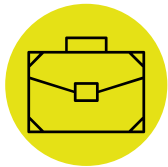
Tyson Foods sought to boost employee advancement and engagement by augmenting in-plant education.

**Tyson Foods brought us on board to design an education program for frontline employees to feel more engaged in their work and acquire skills required for in-demand roles**

Through in-depth interviews with Tyson training leads and insights from adult education experts, we mapped competencies and designed career pathways for production-line workers to fill more advanced roles within plants.

We piloted this program with Tyson Foods and 11 initial partner colleges.

# OUR VALUE PROPOSITION



**Employers**



**Schools/Post -  
Secondary Institutions**

# OUR SOLUTIONS

**Career mapping and curriculum development**

# OUR CAPABILITIES



**Strategy**



**Design**



**Scale**



**Influence**

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# Yesterday's talent practices can't meet tomorrow's business needs

To remain relevant and competitive, companies must be:



## Agile

Successful companies must rapidly address new challenges (e.g., [pivoting operations and strategy during COVID](#)) and seize new opportunities (e.g., [effectively using AI](#))



## Inclusively Thriving

Companies who create opportunities for workers to advance experience [higher employee satisfaction](#) and retention, with [63% of employees leaving their jobs in 2021 due to lack of advancement opportunities](#)



## Financially Prudent

The cost to replace an [employee is 50%-200% of their annual salary](#) and upskilling to fill roles is 70-92% the cost of hiring a new employee



## Diverse

Companies with diverse leadership are [45% likelier to grow market share](#) and [70% more likely to enter new markets](#) and [25-36% more profitable](#) than peer companies with more homogeneous leadership

# We are in an increasingly skills-based talent economy



## Conventional talent practices

- Expect individuals to bring skills required for today's business needs
- Tend to be backwards looking (e.g., what an individual has done vs what they can do)
- Often look to meet new talent needs with external hires
- Rely on fixed requirements such as college degrees, which preclude 60% of the U.S. workforce from applying. Exclusion rates are even higher for Black (76%), rural (81%), and Latine (83%) workers



## Skills-first talent practices

- Prepare for future business needs and actively enable workers to build skills needed for future success
- Focus on an individual's current and future potential
- Cultivate internal talent to be able to fill future needs and prioritize internal mobility
- Recognize that individuals from a range of backgrounds can gain skills in a variety of ways and at different paces

# Companies are taking action



Removed degree requirements for pilots in Jan 2022

“Millions of new jobs being added to the U.S. economy remain out of reach for people without traditional four-year college degrees. Specifically, 76% of Black talent age 25 and above in the workforce are without a four-year degree, further perpetuating a wealth gap that has existed for far too long. **As business leaders, it’s up to each of us to ensure we’re not leaving talent behind as we move forward.**”

-Ed Bastian, CEO



Meets with hiring managers before and after a hire to discuss skills-first practices

“We’ve incorporated training around this into our “leadership essentials” training and our hiring manager training. **The goal was always to make skills a core part of our culture, and we’re doing what it takes to make that happen.**

-Annette Underwood, Vice President and Chief Diversity Officer



Now offers 25 short-form certificates for in-demand skills

“Walmart has committed to invest \$1 billion in career-driven training and development by 2026, while Walmart.org has made over \$140 million in philanthropic investments over the last five years to build skills-based systems beyond the company.”

**We share a goal: creating a world where all learning counts.**

-Lorraine Stomski, Senior Vice President, Associate Learning & Leadership

-Julie Gehrki, Vice President, Philanthropy



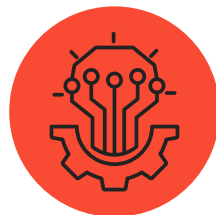
# However, change is hard

## Common challenges to advancing skills-based talent practices



### **Culture**

Shifting culture to authentically recognize all pathways to obtaining skills is difficult



### **Systems and Technology**

Legacy talent systems were not built upon skills. Advancements are occurring, but reorienting systems and processes is complex and time consuming



### **Data and metrics**

Internal data about employee skills is often incomplete and external benchmarks are nearly nonexistent



### **Getting started**

With so many potential skills-first interventions to take, thousands of roles to consider, and market-specific challenges, just knowing how to take a first step can be a challenge



# Intent matters more than ever



## Fewer Job Posts Now Require Degrees. How Has That Changed Hiring?

“Accommodation and food service hires without professional degrees have grown 11% faster than those with them — a number that’s dwarfed by the 354% faster increase in job posts”

Greg Lewis, Sr. Content Marketing Manager, LinkedIn



## Skills-Based Hiring Alone Won’t Advance Racial Equity

“A skills-only approach could limit Black workers to midlevel jobs”

Michael Collins, Vice President, Center for Racial Economic Equity, JFF



## A ‘Skills And’ Approach Can Support Workers in Pursuit of Quality Jobs

“Skills alone are not enough to ensure economic advancement for all of America’s workers.”

Tameshia Bridges Manfield, Vice President, Workforce & Regional Economies, JFF

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# There are major opportunities to shift employer practice



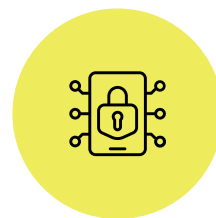
## Research and case-making

Investing research to complement high level case making and individual success stories with a robust set of data-backed proof points



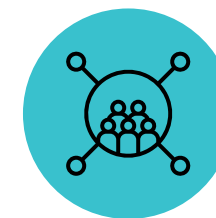
## Coaching and direct support

Providing employers (particularly smaller ones) with access to subject matter experts as well as additional capacity to identify and make shifts



## Access to resources

Increasing access to guides, frameworks, trainings, and other supports



## Community building

Creating spaces for senior and middle managers to learn from and support each other

**Organizations supporting employers in adopting skills-based talent practices**



GRADS of LIFE



Opportunity  
@ Work



U.S. Chamber of Commerce

# System shifts are also critical



## Digital infrastructure

Building a system that enables interoperable Learning and Employment Records (LERs) from all sources



## Policy changes

Changing federal and local policies to eliminate barriers to and increase adoption of skills-based talent practices



## Whole person supports

Provision of a suite of resources (e.g., childcare, transportation) that enable employee success



## Credential value signaling

Helping learners, educators, and employers understand the relative value and quality of various non-degree credentials



## Educator-employer alignment

Aligning educator programs and curricula to provide the skills employers need



## Cultural shifts

Increasing familiarity among students, parents, educators, workforce organizations with the value of skills-based talent practices





**JFF**